

**FIRST AMENDMENT TO
OUTSIDE COUNSEL SERVICES AGREEMENT
BETWEEN GOLDFARB AND LIPMAN
AND THE CITY OF SUNNYVALE**

The AGREEMENT dated December 1, 2003, between the CITY OF SUNNYVALE, a municipal corporation, and GOLDFARB AND LIPMAN for the purpose of assisting the City Attorney with matters pertaining to the redevelopment of downtown Sunnyvale and related real estate advice and counsel is amended as follows:

1. Section 2.0. is hereby amended to read:

2.0. TIME OF PERFORMANCE.

The term of this Agreement shall be from July 1, 2003 to June 30, 2005.

2. Section 4.1 is hereby amended to read:

4.1 Compensation.

Fees for all legal services provided hereunder shall be charged in accordance with Exhibit "A" which is attached and incorporated by reference. Exhibit "A" may be amended, from time to time, to alter fees and charges applicable hereto provided that a letter agreement is duly signed and approved by the City Attorney. The total amount of fees and expenses shall not exceed \$126,000.00.

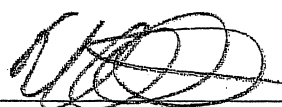
3. Except as amended above, all other terms and conditions of the Agreement dated December 1, 2003, shall remain in effect.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF SUNNYVALE

By 
Valerie J. Armento, City Attorney

GOLDFARB AND LIPMAN

By 
Lee C. Rosenthal

**SECOND AMENDMENT TO
OUTSIDE COUNSEL SERVICES AGREEMENT
BETWEEN GOLDFARB AND LIPMAN
AND THE CITY OF SUNNYVALE**

THIS SECOND AMENDMENT TO THE OUTSIDE COUNSEL SERVICES AGREEMENT BETWEEN GOLDFARB AND LIPMAN AND THE CITY OF SUNNYVALE (hereinafter "Second Amendment") is entered into on March 9, 2005, by and between the Redevelopment Agency of the City of Sunnyvale ("Redevelopment Agency"), and Goldfarb and Lipman, LLP.

WHEREAS, on December 1, 2003, the parties entered into an Agreement for Outside Counsel Services ("Agreement") to assist the Agency Counsel with matters pertaining to the redevelopment of downtown Sunnyvale and related real estate advice; and

WHEREAS, the parties now desire to amend the Agreement so that services under the Agreement may be continued.

NOW THEREFORE, the Agreement dated December 1, 2003, between the CITY OF SUNNYVALE, a municipal corporation, and GOLDFARB AND LIPMAN is amended as follows:

1. For purposes of clarifying the contracting party, the Agreement is hereby amended by substituting the term "REDEVELOPMENT AGENCY OF THE CITY OF SUNNYVALE" in each instance where the term "CITY OF SUNNYVALE" occurs, and the term "Agency Counsel" in each instance where the term "City Attorney" occurs.

2. Section 2.0. is hereby amended to read:

2.0. TIME OF PERFORMANCE.

The term of this Agreement shall be from July 1, 2003 to June 30, 2006.

3. Section 4.1 is hereby amended to read:

4.1 Compensation.

Fees for all legal services provided hereunder shall be charged in accordance with Exhibit "A" which is attached and incorporated by reference. Exhibit "A" may be amended, from time to time, to alter fees and charges applicable hereto provided that a letter agreement is duly signed and approved by the City Attorney. The total amount of fees and expenses shall not exceed \$138,000.00.

ATTACHMENT B

3. Except as amended above, all other terms and conditions of the Agreement dated December 1, 2003, shall remain in effect.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF SUNNYVALE
REDEVELOPMENT AGENCY

By Joana Borger
Joan A. Borger, Agency Counsel

GOLDFARB AND LIPMAN

By Lee C. Rosenthal / Karen Tiedemann
Lee C. Rosenthal / Karen Tiedemann

ATTORNEYS AND RATE SCHEDULE

M David Kroot	245
Lee C. Rosenthal	245
John T. Nagle	245
Polly V. Marshall	245
Lynn Hutchins	245
Richard A. Judd	235
Karen M. Tiedemann	235
Thomas H. Webber	235
John T. Haygood	235
Dianne A. Jackson McLean	235
Michelle D. Brewer	235
Jennifer K. Bell	235
Robert C. Mills	235
Claudia Martin	230
Carolyn A. Gold	220
Isabel L. Brown	190
William F. DiCamillo	175
Rafael Mandelman	175
Margaret F. Jung	175
Emily B. Longfellow	175
Heather Gould	155
Amy DeVaudreuil	145
Senior Law Clerks	130
Law Clerks	120
Project Coordinators	120

GOLDFARB & LIPMAN

BILLING POLICIES AND PROCEDURES

Dear Client:

Experience has shown that the attorney-client relationship works best when there is a mutual understanding about fees and payment terms. Accordingly, this letter is intended to briefly explain our billing policies and procedures. We encourage you to discuss with us any questions you may have concerning these policies and procedures.

To determine the value of our services, we ask each of our lawyers and legal assistants to maintain time records for each client and matter. The time records are reviewed monthly by the responsible billing attorney. Our present billing rates for services rendered for partners, associates, and for paralegals is attached. Our hourly rates are adjusted from time-to-time (generally once a year) and may change during the course of our engagement.

It is our policy to serve you with the most effective support systems available. Therefore, in addition to our fees for legal services, we also charge for telephone, messenger, reproduction, facsimile, and other costs and expenses incurred on your behalf.

Our billing statements are due and payable upon receipt. Clients whose statements are not paid within 30 days of the statement date will be assessed a late charge on the unpaid balance at the rate of one-and-a-half percent per month. As an incentive for early payments by clients, if payments are made within ten days of the date of the statement, we will be happy to reduce our statement by one percent.

Pursuant to Business & Professions Code Section 6147(a)(6) and 6148(a)(4) we carry malpractice insurance above the limits specified in such code.

In closing, let us assure you that it has always been and will continue to be our goal to provide legal services to you on the most cost-efficient basis possible. If you have any questions or comments regarding our billing policy, please feel free to contact the undersigned. Thank you for your continued cooperation.

Very truly yours,

GOLDFARB & LIPMAN